

HOUSE BILL REPORT

HB 3086

As Reported by House Committee On:
Trade & Economic Development

Title: An act relating to creating a maritime office in the department of community, trade, and economic development.

Brief Description: Creating a maritime office in the department of community, trade, and economic development.

Sponsors: Representatives Blake, Veloria and Chase.

Brief History:

Committee Activity:

Trade & Economic Development: 2/3/04, 2/6/04 [DPS].

Brief Summary of Substitute Bill

- Creates the Washington Maritime Office in the Department of Community, Trade and Economic Development.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Veloria, Chair; Eickmeyer, Vice Chair; Blake, Chase, McCoy, Ormsby and Pettigrew.

Minority Report: Do not pass. Signed by 6 members: Representatives Skinner, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Condotta, Kristiansen, Priest and Rodne.

Staff: Tracey Taylor (786-7196).

Background:

At least one in four jobs in Washington is linked to international trade. Washington handles more than \$103 billion in trade a year, including \$36 billion in state-originated exports. Many of Washington's industries depend on the maritime industry to get products and produce to market.

The region's maritime operations are centered along two waterways: the Puget Sound and the Columbia–Snake River system. The Port of Grays Harbor also provides direct access to Washington's Central Pacific Coast. Generally, Puget Sound port activities are dominated by

container imports and exports, while the Columbia–Snake River system is dominated by bulk cargo exports.

More than two-thirds of Washington imports are destined for locations elsewhere in the U.S. Thus, many of Washington's key ports are discretionary and compete with other west coast ports for business.

Summary of Substitute Bill:

If there is an appropriation by the Legislature, the Department of Community, Trade and Economic Development (DCTED) is directed to create the maritime function in the department. The DCTED will provide the maritime industry with enhanced knowledge, resources and advocacy by working with various stakeholders including federal and state agencies, local governments, maritime businesses and maritime organizations.

First, the DCTED will obtain a report and recommendations regarding the establishment and focus on a maritime function in the department. After receiving the report, the DCTED will work with the stakeholders to identify potential trading and business partners, identify strategic infrastructure priorities and needs, attract key freight services, measure performance, identifying and addressing state and local barriers to the industry, and identify workforce needs. The DCTED will collect and distribute maritime trade and industry data in an annual report.

Substitute Bill Compared to Original Bill:

The substitute clarifies that the focus on the maritime industry should be more than just transportation interests. The substitute bill requires that funding to be appropriated in order for DCTED to develop a report and the maritime industry function in the department. The report will be completed by a qualified consulting firm with expertise in the maritime industry, consulting with industry representatives, and will include recommendations on the implementation and establishment of the function. After receiving the report, the DCTED will begin its work with the maritime industry, including bringing potential business partners together, attracting, developing and retaining maritime businesses and identifying and addressing state and local barriers to the industry.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested February 6, 2004.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Washington's maritime industry is a large industry that is often overlooked. Before Boeing and Weyerhaeuser, there was the maritime industry. It has a symbiotic relationship with the rest of Washington's industries. In fact, a job on the dock is a job in the

fields and visa versa. In order to continue to prosper as a state, we need to tend to the various elements of the maritime industry and this bill is an excellent first step.

Testimony Against: (Concerns) The original bill does not reflect all the various elements of the maritime industry. It should be expanded. The bill requires additional duties of the DCTED but contains no appropriation.

Persons Testifying: (In support) Randy Ray, Puget Sound Steamship Operators Association and Todd Shipyards; Rich Berkowitz, Transportation Institute; and Mike Moore, Puget Sound Steamship Operators Association.

(In support with concerns) Dr. Paulette DeGard, Industry Clutter Institute.

(With concerns) Tom McBride, Community, Trade and Economic Development.

Persons Signed In To Testify But Not Testifying: None.